Provincial Judges Benefits Board

Annual Report
for year ending March 31, 1988

FOURTH ANNUAL REPORT

OF THE

PROVINCIAL JUDGES BENEFITS BOARD

FOR THE YEAR ENDED

MARCH 31, 1988

89-05496/

Ontario

Office of the Minister

Ministry of Government Services

12th Floor
Ferguson Block
Queen's Park
Toronto Ontario
M7A 1N3
416/965-1101

August 31, 1988

To his Honour, The Lieutenant Governor of the Province of Ontario.

MAY IT PLEASE YOUR HONOUR:

The undersigned respectfully presents herewith the Report of the Provincial Judges Benefits Board for the year ended March 31, 1988.

Respectfully submitted,

Richard Patten

Richard Patten
Minister of Government Services

Ontario

Provincial Judges Benefits Board

Caisse de retraite des juges de la Cour provinciale

Area code 416
Ind. rég:

Telephone 928-4520
Téléphone

The Honourable Richard Patten
Minister of Government Services

SIR:

I have the honour to submit the Report of the Provincial Judges Benefits Board for the year ended March 31, 1988.

Respectfully submitted,

Michael A. Wadsworth, Q.C.
Chairman

PROVINCIAL JUDGES BENEFITS BOARD

The Board was established in 1984 under Regulation 332/84 made pursuant to the Provincial Courts Act, now the Courts of Justice Act.

The Members of the Board are appointed by the Lieutenant Governor in Council. At March 31, 1988, the Board had the following Members:

M. A. Wadsworth, Q.C. — Chairman
Senior Vice-President
Crown Life Insurance Company

J. G. Goodwin, Q.C.
Partner
Osler, Hoskin & Harcourt

E. F. H. Strauss, B.Sc., M.A.
Human Relations Consultant and
Therapist

B.V. Cooke, Manager, Policy and Executive Benefits, Ministry of Government Services was the Secretary.

In accordance with the Regulation, the Board administered the Provincial Judges Benefits Plan and approved income continuity payments and refunds of voluntary contributions.

Four meetings of the Board were held during the year ended March 31, 1988.

TABLE OF CONTENTS

	Page Nos.
Income Continuity Payments	5
Refunds	5
Contributors	6
Provincial Judges Benefits Fund	6
Cost of Administration	7
Acknowledgement	7
Statement of Fund	8, 9, 10
Interest Earned by the P.J.B. Fund	11

INCOME CONTINUITY PAYMENTS

An "income continuity payment" under the Regulation is a retirement income payable in monthly instalments commencing with the month following the month in which the recipient ceased to hold office. The amount of the payment is calculated in accordance with the formula under the Regulation.

As of March 31, 1988, 59 income continuity payments were being paid.

During the period ending March 31, 1988, 7 refunds of contributions were authorized. These were authorized by the Board in accordance with the Regulation and consisted of Superannuation Adjustment Fund contributions and voluntary Public Service Superannuation contributions plus interest.

CONTRIBUTORS

At March 31, 1988, there were 232 contributors to the Provincial Judges Benefits Fund.

PROVINCIAL JUDGES BENEFITS FUND

The amount standing to the credit of the Provincial Judges Benefits Fund at March 31, 1988 was $44,247,061. Total receipts for the year, including interest, amounted to $8,921,469. while total disbursements amounted to $1,849,244.

COST OF ADMINISTRATION

The cost of administrative support for the operation of the Provincial Judges Benefits Board is subsumed in the estimates of the Employee Benefits and Data Services Branch of the Ministry of Government Services (Vote 1604, Item 3). (This branch also administers pension and benefit plans for Government employees and for Members of the Legislative Assembly and their staff and provides payroll and personnel data services to all government ministries.)

The Chairman and Members of the Provincial Judges Benefits Board receive per diem fees for attendance at Board Meetings. For the period under review, a total of $800. was paid in per diem fees. No other direct costs are incurred by the Board and cost proration is not justified because of the variety of services provided by the Employee Benefits and Data Services Branch.

ACKNOWLEDGEMENT

In submitting this Report, the Board wishes to express its appreciation of the assistance rendered to the Board by the Secretariat and the management and staff of the Employee Benefits and Data Services Branch, Ministry of Government Services.

PROVINCIAL JUDGES BENEFITS FUND

Statement of Changes in Fund Balance
for the year ended March 31, 1988

	1988 ($000's)	1987 ($000's)
Receipts		
Contributions		
Participants	453	416
Province of Ontario (note 4)	4,124	3,738
Interest earned	4,344	3,700
	8,921	7,854
Disbursements		
Income continuity payments and survivor allowances	1,713	1,539
Refunds (note 3)	136	115
	1,849	1,654
Net increase in the Fund	7,072	6,200
Balance on deposit with the Treasurer of Ontario,		
- beginning of year	37,175	30,975
- end of year	44,247	37,175

See accompanying notes to financial statement.

Approved on behalf of the Board :

Chairman

PROVINCIAL JUDGES BENEFITS FUND

Notes to Financial Statement
March 31, 1988

1. DESCRIPTION OF THE FUND

The Provincial Judges Benefits Fund (the Fund) was established by Regulation made under the Courts of Justice Act, effective July 1, 1984. This Regulation designated the Provincial Judges Benefits Board to administer the Fund. The following brief description of the Fund is provided for general purposes only. For more complete information reference should be made to the Regulation.

(a) General

The purpose of the Fund is to provide income continuity payments to retired Provincial Court Judges and Masters of the Supreme Court of Ontario or survivor allowances to the dependents of these Judges and Masters.

(b) Funding Policy

The annual funding required to maintain income continuity payments is borne entirely by the Province and is determined annually by actuaries.

Contributions to the Fund by participants are for survivor allowances only. Participants are required to contribute 5.57 per cent of their salary either until their basic service requirement is met or until they reach 70 years of age. At the participant's option, this contribution may be apportioned either entirely to the Fund towards the cost of survivor allowances or one third to the Fund and two thirds to the Consolidated Revenue Fund, toward the cost of life insurance benefits provided. At present, the majority of participants have elected to apportion their contribution between the Fund and life insurance premiums.

(c) Income Continuity Payments

An income continuity payment is available based on the age and the number of years of full-time service for which the participant has credit upon ceasing to hold office and on the salary of a full-time judge of the highest judicial rank held by the participant while in office. The participant is entitled to these payments during his lifetime.

(d) Disability Income Continuity Payments

A full income continuity payment is available at age 65 for participants with a minimum of five years of full-time service who are unable to serve in office due to injury or chronic sickness.

(e) Survivor Allowances

A survivor allowance equal to one half of an income continuity payment is paid to the spouse during the spouse's lifetime or to a child or children until the youngest child attains 18 years of age, or 25 years of age if the child is a full-time student at a place of higher education.

(f) Death Refunds

A death refund is payable to the estate of a participant where there is no further entitlement to a survivor allowance. The amount of the refund is equal to all contributions made into the Fund plus accrued interest, reduced by the amounts of survivor allowances paid out under this Regulation.

(g) Withdrawal Refunds

Upon ceasing to hold office for a reason other than death before becoming entitled to an income continuity payment, the participant is entitled to a refund. The amount of the refund is equal to the contributions made into the Fund plus accrued interest.

(h) Interest Revenue

All new money, being the excess of receipts over disbursements each fiscal year, earns a rate of interest which is fixed for 25 years and which is not less than the weighted average rate on long term securities issued or guaranteed by the Province of Ontario during that fiscal year. For the 1988 fiscal year, the rate was 11.10 per cent. The weighted average interest rate earned on the balance at the beginning of the year was 11.35 per cent.

(i) Fund Status

The Fund is not considered to be a pension plan as defined under the Pension Benefits Act. Accordingly, it is not subject to the reporting requirements under that Act. However, the Fund has the same status as a pension plan for income tax purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This statement has been prepared on the cash basis of accounting.

(b) Administrative Expenses

Administrative expenses are paid by the Ministry of Government Services.

3. REFUNDS TO PARTICIPANTS

According to the Regulation, any previous voluntary contributions made by the Fund participants to the Public Service Superannuation Fund may be refunded to them at their request. For judges who retired between October 1, 1979 and July 1, 1984 the refunds are to be reduced by the additional benefits paid out as a result of this voluntary contribution. Participants had until January 1, 1988 to request such refunds.

4. LIABILITY FOR FUTURE BENEFITS

The most recent actuarial valuation of the Fund, dated March 31, 1987, disclosed that the Province's share of the liability for income continuity payments and survivor allowances was $41.1 million. The Province is contributing towards this liability in amounts recommended by the actuary.

INTEREST EARNED BY THE P.J.B.F.

Interest was credited to the Provincial Judges Benefits Fund out of the Consolidated Revenue Fund on the following basis:

1. On the balance at the credit of the Fund on March 31, 1987, at a rate of 11.35488 per cent per annum.

2. On the net amount deemed to have entered the Fund each month throughout the period ending March 31, 1988 at the rate of 11.10 per cent per annum and credited from the date such increases are deemed to have entered the Fund to the end of fiscal year 1987-88

ISSN 0831-4071